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Attorneys for Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

In Re:

Case No. 18-03197-11

GIGA WATT INC.,

Debtor in Possession.

**DECLARATION OF HEATHER
MULHALL IN SUPPORT OF MOTION
TO INCUR DEBTOR IN POSSESSION
FINANCING**

The undersigned, Heather Mulhall, makes the following declaration:

1. I am the Cost Controller for Giga Watt, Inc., and I track, schedule, and pay the company's expenses. I make this declaration based on my business experience with the Debtor and my personal knowledge.

2. Attached hereto as Exhibit "A" are the expenses necessary in the next 7 days.

3. Attached hereto as Exhibit "B" are the expenses necessary in the next 14 days.

4. Attached hereto as Exhibit "C" are the expenses necessary in the next 21 days.

5. Attached hereto as Exhibit "D" are the average monthly utility costs.

6. Attached hereto as Exhibit "E" are the monthly lease costs.

DECLARATION OF HEATHER MULHALL - 1

Winston & Cashatt
A PROFESSIONAL SERVICE CORPORATION
1900 Bank of America Financial Center
601 West Riverside
Spokane, Washington 99201
(509) 838-6131

7. Attached hereto as Exhibit "F" is the list of employee salaries, which includes reduction in staff that will likely occur in January.

8. Attached hereto as Exhibit "G" is non-coin creation revenue that is expected for hosting clients.

9. Douglas County PUD requires a \$128,000 adequate assurance payment to reconnect the power. The back payment is approximately \$70,000, but a small amount of it has already been paid.

I certify under penalty of perjury pursuant to the laws of the State of Washington and the United States of America that the foregoing Declaration is true and correct.

SIGNED at East Windsor, Washington, this 22 day of December, 2018.


HEATHER MULHALL

DECLARATION OF HEATHER MULHALL - 2

Winston & Cassatt
A PROFESSIONAL SERVICE CORPORATION
1930 Bank of America Financial Center
801 West Riverside
Spokane, Washington 99201
(509) 838-6131

EXHIBIT “A”

Company	Amount	Through Dec 31st
Express Employment Professionals	\$ 130.62	
Amazon Account	\$ 1,227.98	
Rock Island Water/Sewer	\$ 115.00	
LocalTel	\$ 926.76	
Native Network	\$ 525.00	
WorkForce Solutions	\$ 1,746.16	
Giga House	\$ 1,950.00	
TNT Buildings A, B, C, H	\$ 11,500.00	
Rock Island-plus Late Fee	\$ 8,400.00	
MLDC-1-plus Late Fee	\$ 6,300.00	
ML Expansion-plus Late Fee	\$ 10,100.00	
Giga Plex-Parcel C-plus Late Fee	\$ 19,700.00	
Giga Plex-Parcel E-plus Late Fee	\$ 19,700.00	
Port of DC	\$ 18,423.00	
Google Suite	\$ 1,850.00	
PUD-TNT, Eller St, Rock Island	\$ 59,477.00	
DC PUD	\$ 128,000.00	Deposit
Keyhole Security	\$ 186.50	
MLDC 1 Utilities	\$ 60,705.08	
MLDC Exp- Utilites	\$ 25,229.84	
Giga Plex C-Utilites	\$ 46,872.52	
Giga Plex E- Utilites	\$ 55,053.30	
Overage to cover debited bills	\$ 11,500.00	
Rock Island Water/Sewer	\$ 117.50	
Payroll-Monday 12/24	\$ 59,372.44	Payroll w/back taxes
Slack	\$ 285.00	
LocalTel	\$ 796.00	
Native Network	\$ 525.00	
WM-Pangborn	\$ 165.00	
Cascade Water	\$ 480.00	
Atlassian	\$ 11.00	
Payroll- Friday 12/28	\$ 13,920.58	\$24,066.66 With Suggested Layoffs due to PTO
	\$ 565,291.28	\$575,437.36 Payroll w/3 days (changing to weekl

EXHIBIT “B”

Company	Amount	DEC 31st-JAN 7th
ML Electricity-Overdue	\$ 197,305.47	
Dave Carlson	\$ 62,962.00	
Payroll	\$ 11,493.00	With Layoffs/Without accounting for mileage
PUD-Giga House	\$ 34.00	
DC Sewer District	\$ 81.00	
DC Water District	\$ 67.00	
Bertha Goehner	\$ 2,000.00	
Giga House	\$ 1,950.00	
Port of DC	\$ 9,722.97	
TNT	\$ 7,500.00	
EW Storage Unit	\$ 68.00	
Express Mini Storage	\$ 235.00	
Google Suite	\$ 200.00	
Amazon Web Services	\$ 200.00	
Zendesk	\$ 2,020.00	
Health Care	\$ 15,000.00	***Will go down if we do layoffs***
MLDC Rent	\$ 6,000.00	
MLDC Expansion Rent	\$ 10,000.00	
Giga Plex C-Original \$	\$ 19,600.00	
Giga Plex E-Original \$	\$ 19,600.00	
TNT-Original \$	\$ 11,500.00	
WM-Eller	\$ 41.72	
WM-Highline	\$ 106.64	
WM-Rock Island	\$ 125.00	
Cintas	\$ 825.00	
	\$ 378,636.80	

EXHIBIT “C”

Company	Amount	JAN 7th-JAN 14th
Payroll	\$ 11,493.00	With Layoffs/Without accounting for mileage
DC PUD	\$ 60,000.00	Average-Can be as high as \$64k
Amazon Account	<u>\$ 1,200.00</u>	
	\$ 72,693.00	

EXHIBIT “D”

Site	Location	Average Cost
MLDC	Moses Lake	\$ 70,000.00
MLDC Expansion	Moses Lake	\$ 35,000.00
Giga Plex C	Moses Lake	\$ 55,000.00
Giga Plex E	Moses Lake	\$ 55,000.00
Pangborn	East Wenatchee	\$ 12,900.00
TNT A	East Wenatchee	\$ 17,000.00
TNT B	East Wenatchee	\$ 4,000.00
TNT C	East Wenatchee	\$ 1,600.00
TNT H	East Wenatchee	\$ 21,000.00
RI A	Rock Island	\$ 900.00
RI B	Rock Island	\$ 2,000.00
RI C	Rock Island	\$ 900.00
RI D	Rock Island	\$ 14.00
Eller St House	East Wenatchee	\$ 300.00
Giga House	East Wenatchee	\$ 40.00
		\$ 275,654.00

EXHIBIT “E”

Property	Address	Amount	Start Date	End Date	Status
Executive Flight	1 Campbell Pkwy, East Wenatchee WA	\$ 12,378.16	4/7/2017	4/1/2022	Negated
Bertha Goehner (House)	215 Eller St SE, East Wenatchee WA	\$ 2,000.00	12/2/2013	-	Ending Mid Janu
Kenneth Johnson (C House)	2452 Columbia Ave NW, #24, East Wenatch	\$ 1,950.00	11/13/2017	-	Ending Mid Janu
MLDC 1, LLC (Warehouse)	7906 Randolph Rd, Moses Lake, WA	\$ 6,000.00	6/10/2015	5/31/20	Active
MLDC 1, LLC (Pod 1 and 2)	7906 Randolph Rd, Moses Lake, WA	\$ 10,000.00	11/1/2018	10/31/2048	Lease was just r
Giga Plex, LLC (Parcel C)	7906 Randolph Rd, Moses Lake, WA	\$ 22,500.00	11/1/2018	10/31/2048	New Lease Amo
Giga Plex, LLC (Parcel E)	7906 Randolph Rd, Moses Lake, WA	\$ 22,500.00	11/1/2018	10/31/2048	New Lease Amo
TNT Business Complexes	83 4th St, Rock Island, WA	\$ 7,500.00	6/1/2017	-	Month to Month-
Dave Carlson	474 Highline Dr, STE A, B, C, H-East Weantct	\$ 11,500.00	-	-	Original Lease A
Port of Douglas	643 Billingsly Dr SE, East Wenatchee, WA	\$ 9,722.97	9/1/2017	1/31/2047	Not sure what is

EXHIBIT “F”

Position	Last	First	Per Year	Per Check (Bi-weekly)	Position
Account Manager	Behrens	Drew	\$ 72,500.00	\$ 2,788.46	Acct Mngr/Ops Mngr
HR	Beuhler	Paige	65000	2500	Tech
	Tech Black	Doug	\$ 37,440.00	\$ 1,440.00	Ops Engineer
Ops Engineer	Craddock	Nick	\$ 50,000.00	\$ 1,923.08	Tech
Operations Manager	DeLozier	Cory	82000	3153.85	Tech/ML
	Tech Domer	Tyler	\$ 45,000.00	\$ 1,730.77	Expert Tech
	Tech Goff	Tianna	\$ 35,360.00	\$ 1,360.00	Tech/ML
Expert Tech	Gykalo	Anton	\$ 61,200.10	\$ 2,353.85	Tech/ML
Tech Harrison		Austin	\$ 33,280.00	\$ 1,280.00	Logistics
Business Dvpmt/Sales	Hunter	Molly	100000	1096.15	Accounts Payable
	Tech Jaimes	Porfirio	\$ 33,280.00	\$ 1,280.00	Customer Service
	Logistics Langis	Jessica	\$ 65,000.00	\$ 2,500.00	Tech Manager/ML
Accounts Payable	Mulhall	Heather	\$ 72,500.00	\$ 2,788.46	Tech
Customer Service	Ramaker	Susan	\$ 62,000.00	\$ 2,384.62	HR/Part Time
Network	Risen	Matthew	55000	2115.35	Contract/Ops
Tech Manager/ML	Simpson	Skylar	\$ 50,000.00	\$ 1,923.08	Contract/Network
Managing Director	Turner	George	100000	3846.15	
	Tech Paine	Caleb	\$ 48,000.00	\$ 1,846.15	
Total:			\$ 1,067,560.10	\$ 38,309.97	Total:

The Debtor has identified layoffs that will likely occur
Reduction in staff of approximately 38% of salaries

19154.985
11492.991

Last	First	Per Year	Per Check (weekly)
Behrens	Drew	\$ 72,500.00	\$ 1,394.23
Black	Doug	\$ 37,440.00	\$ 720.00
Craddock	Nick	\$ 50,000.00	\$ 961.23
Domer	Tyler	\$ 45,000.00	\$ 865.38
Goff	Tianna	\$ 35,360.00	\$ 80.00
Gykalo	Anton	\$ 61,200.10	\$ 1,176.92
Harrison	Austin	\$ 33,280.00	\$ 640.00
Jaimes	Porfirio	\$ 33,280.00	\$ 640.00
Langis	Jessica	\$ 65,000.00	\$ 1,250.00
Mulhall	Heather	\$ 72,500.00	\$ 1,394.23
Ramaker	Susan	\$ 62,000.00	\$ 1,192.30
Simpson	Skylar	\$ 50,000.00	\$ 961.23
Paine	Caleb	\$ 48,000.00	\$ 1,846.15
Beuhler	Paige	4875	93.75 Avg 3 hrs/wk
DeLozier	Cory	20280	390 Avg 10 hrs/wk
Risen	Matthew	13520	260 Avg 10 hrs/wk
		\$704,235.10	\$ 13,865.42

EXHIBIT “G”

On Hand

\$	74,209.11	In accounts 12/21
\$	186.50	Debit Keyhole Security-Auto Payment
\$	9,808.45	Debit DC PUD -Online payment made 12/20
\$	59,372.44	Payroll coming out on 12/24
\$	<u>4,841.72</u>	<u>Left over</u>

Revenue Formula

-Megawatts in usage x Hours in a month x Hostir

Incoming Payments-December

\$	5,000.00	Allrise-Sub Lease-October
\$	29,490.98	Allrise-Hosting Fees-October
\$	5,000.00	Allrise-Sub Lease-November
\$	29,490.98	Allrise-Hosting Fees-November
\$	<u>30,469.35</u>	<u>Lifestyle Galaxy-Hosting Fees-November</u>
\$	<u>99,451.31</u>	<u>Still Awaiting.</u>

Incoming Payments-January

\$	5,000.00	Allrise-Sub Lease-December
\$	29,490.98	Allrise-Hosting Fees-December
\$	<u>30,469.35</u>	<u>Lifestyle Galaxy-Hosting Fees-December</u>
\$	<u>64,960.33</u>	